Anaven LLP

Annual Report 2021-22

The logo of Anaven LLP symbolises an enduring partnership rooted in values between Nouryon Chemicals International BV of the Netherlands and Atul Ltd of India. Lotus, the national flower of India, represents purity and ability to rise above hardship. Thus, the blossoming lotus indicates growth with values, epitomising a sustainable future of Anaven. Blue conveys a quest for depth and vision, while saffron, knowledge and courage – together the collaboration seeks to offer quality products that serve and bring value to its customers and thereby contribute meaningfully to all its stakeholders.

Vision is the art of seeing what is invisible to others.

~ Jonathan Swift

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Independent Auditor's Report

To the Partners of Anaven LLP

Report on the audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of Anaven LLP (the LLP), which comprise the Statement of Assets and Liabilities as at March 31, 2022, the Statement of Income and Expenditure and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements furnish the information required by the Limited Liability Partnership Act, 2008 (the Act) in the manner so required, and gives a true and fair view, in conformity with the Accounting Standards issued by the Institute of Chartered Accountants of India (the ICAI) (the Accounting Standards) and the accounting principles generally accepted in India, of the state of affairs of the LLP as at March 31, 2022, its loss and its cash flows for the year ended on that date.

Basis for opinion

3. We conducted the audit of the Financial Statements in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the LLP in accordance with the code of ethics issued by the ICAI, and we have fulfilled our other ethical responsibilities in accordance with the code of ethics of the ICAI. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Management's responsibility for the Financial Statements

4. The Management of the LLP (Designated Partners) is responsible for the preparation of the Financial Statements that give a true and fair view of the financial position and financial performance of the LLP in accordance with the Accounting Standards, the Limited Liability Partnership Act, 2008 (the Act) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, which were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. In preparing the Financial Statements, the Management is responsible for assessing the ability of the LLP to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the designated partners either intend to liquidate the LLP or to cease operations, or has no realistic alternative but to do so.

   The Management is also responsible for overseeing the financial reporting process of the LLP.

Auditor's responsibility for the audit of the Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of these Financial Statements.

7. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   a) Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

   c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

   d) Conclude on the appropriateness of the use of the going concern basis of accounting by the management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the LLP to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the LLP to cease to continue as a going concern.

   e) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

   f) Obtain sufficient and appropriate audit evidence regarding the financial information of the LLP to express an opinion on the Financial Statements.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in i) planning the scope of our audit work and in evaluating the results of our work; and ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm registration number: 117366W|W-100018

Ketan Vora
Partner
Membership Number: 100459
UDIN: 22100459AIAQAA7050

Mumbai
April 21, 2022

Statement of Assets and Liabilities as at March 31, 2022

(₹ lakhs)

			Particulars	Note	As at March 31, 2022	As at March 31, 2021
A	CONTRIBUTION AND LIABILITIES					
	1	**Partners' funds**				
		a)	Partners' contribution	2	13,400.00	13,400.00
		b)	Reserves and surplus	3	(1,212.88)	(1,033.35)
		Total capital			**12,187.12**	**12,366.65**
	2	**Non-current liabilities**				
		a)	Long-term borrowings	4	11,215.40	10,995.66
		b)	Long-term provisions	5	16.78	-
		c)	Other long-term liabilities	6	965.08	386.43
		Total non-current liabilities			**12,197.26**	**11,382.09**
	3	**Current liabilities**				
		a)	Short-term borrowings	7	2,444.28	2,440.00
		b)	Trade payables			
			i) Total outstanding dues of micro-enterprises and small enterprises	8	16.92	0.02
			ii) Total outstanding dues of creditors other than micro-enterprises and small enterprises	8	2,596.09	987.73
		c)	Other current liabilities	9	573.06	687.27
		d)	Short-term provisions	10	26.48	-
		Total current liabilities			**5,656.83**	**4,115.02**
		Total liabilities			**17,854.09**	**15,497.11**
		Total contribution and liabilities			**30,041.21**	**27,863.76**
B	ASSETS					
	1	**Non-current assets**				
		a)	Property, plant and equipment	11	21,171.29	22,674.51
		b)	Capital work-in-progress	11	214.41	-
		c)	Long-term loans and advances	12	64.68	67.49
		d)	Other non-current asset	13	1,879.33	2,772.42
		Total non-current assets			**23,329.71**	**25,514.42**
	2	**Current assets**				
		a)	Inventories	14	1,741.76	724.86
		b)	Investments	15	-	65.85
		c)	Trade receivables	16	3,391.28	843.08
		d)	Cash and bank balance	17	256.35	93.93
		e)	Short-term loans and advances	18	10.61	16.96
		f)	Other current assets	19	1,311.50	604.66
		Total current assets			**6,711.50**	**2,349.34**
		Total assets			**30,041.21**	**27,863.76**

The accompanying Notes 1 to 40 form an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora
Partner

Mumbai
April 21, 2022

For and on behalf of the Partners of ANAVEN LLP

Gopi Kannan Thirukonda
Body Corporate DP Nominee

Sobers Sethi
Body Corporate DP Nominee

April 21, 2022

Statement of Income and Expenditure for the year ended March 31, 2022

Anaven

(₹ *lakhs*)

Particulars	Note	2021-22	2020-21
INCOME			
Revenue from operations	20	16,030.83	681.52
Other income	21	32.59	7.37
Total income		**16,063.42**	**688.89**
EXPENSES			
Cost of material consumed	22	9,634.96	409.62
Change in inventories of finished goods, work-in-progress and stock-in-trade	23	(421.35)	(64.01)
Finance costs	24	1,297.07	251.22
Employee benefit expenses	25	399.12	295.99
Depreciation and amortisation expenses	11	2,505.46	258.07
Other expenses	26	2,827.67	155.85
Total expenses		**16,242.93**	**1,306.74**
Loss before tax		**(179.51)**	**(617.85)**
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expenses		-	-
Loss for the year		**(179.51)**	**(617.85)**

The accompanying Notes 1 to 40 form an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora
Partner

Mumbai
April 21, 2022

For and on behalf of the Partners of ANAVEN LLP

Gopi Kannan Thirukonda
Body Corporate DP Nominee

Sobers Sethi
Body Corporate DP Nominee

April 21, 2022

Statement of Cash Flows for the year ended March 31, 2022

(₹ *lakhs*)

	Particulars		2021-22	2020-21
A	CASH FLOW FROM OPERATING ACTIVITIES			
	Loss before tax		(179.51)	(617.85)
	Adjustments for:			
	Depreciation and amortisation expenses		2,505.46	258.07
	Finance costs		1,297.07	251.22
	Interest income		(0.78)	(0.47)
	Realised loss | (gain) on mutual funds		(7.00)	(6.46)
	Unrealised loss | (gain) on reinstatement		(18.96)	0.16
	Operating profit I (loss) before change in operating assets and liabilities		**3,596.28**	**(115.33)**
	Adjustments for:			
	(Increase) | Decrease in inventories		(1,016.90)	(724.85)
	(Increase) | Decrease in non-current and current assets		(2,251.63)	(1,091.72)
	Increase | (Decrease) in non-current and current liabilities		1,575.01	422.94
	Net cash generated I (used) in operations		**1,902.76**	**(1,508.96)**
	Income tax paid (net of refund)		(17.52)	2.43
	Net cash flow I (used) in operating activities	A	**1,885.24**	**(1,506.53)**
B	CASH FLOW FROM INVESTING ACTIVITIES			
	Payment towards property, plant and equipment (including capital advances)		(719.11)	(2,060.19)
	Interest received		7.78	0.47
	Redemption of | (Investment in) mutual funds		65.85	152.16
	Net cash used in investing activities	B	**(645.48)**	**(1,907.56)**
C	CASH FLOW FROM FINANCING ACTIVITIES			
	Partners' contribution received		-	512.49
	Proceeds from long-term borrowings		16,910.00	3,194.54
	Repayment of loan		(16,690.26)	-
	Finance cost		(1,297.07)	(251.22)
	Net cash flow I (used) in financing activities	C	**(1,077.34)**	**3,455.81**
	Net increase | (decrease) in cash and bank balance	A+B+C	**162.42**	**41.72**
	Cash and bank balance at the beginning of the year		**93.93**	**52.21**
	Cash and bank balance as at the end of the year		**256.35**	**93.93**

i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statements' and presents the cash flows by operating, investing and financing activities.

The accompanying Notes 1 to 40 form an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora
Partner

Mumbai
April 21, 2022

For and on behalf of the Partners of ANAVEN LLP

Gopi Kannan Thirukonda
Body Corporate DP Nominee

Sobers Sethi
Body Corporate DP Nominee

April 21, 2022

Notes to the Financial Statements

Anaven

Background

ANAVEN LLP (the LLP) is a Ltd liability partnership incorporated under the Ltd Liability Partnership Act, 2008 of India. The LLP is a partnership between Atul Finserv Ltd and Nouryon Chemicals International BV (formerly Akzo Nobel Chemicals International BV) with the objective of manufacturing chemical products in India.

Note 1 Significant accounting policies

a) Basis of preparation

The Financial Statements of the LLP have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and comply in all material aspects with the Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI).

The Financial Statements have been prepared on accrual basis and under historical cost convention.

b) Use of estimates

The preparation of the Financial Statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, on the date of Financial Statement and the result of operations during the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

c) Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive payment is established; It is probable that the economic benefits associated with the dividend will flow to the LLP and the amount of dividend can be measured reliably.

d) Property, plant and equipment

All items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the LLP and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Income and Expenditure during the year in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Income and Expenditure.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one year.

Capital work-in-progress

Property, plant and equipment which are not ready for intended use as on the date of Statement of Assets and Liabilities are disclosed as 'Capital work-in-progress'.

e) Depreciation and amortisation

Depreciation is provided on pro-rata basis as per straight-line method, from the month of acquisition | installation till the month the assets are sold or disposed on the cost of assets, net of their residual values, over their estimated useful lives.

The useful lives have been determined based on technical evaluation done by the Management experts, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty, that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter, of the lease term or their useful lives.

Asset Category	Estimated useful life
Building	10 to 30 years
Computer equipment	3 to 6 years
Office equipment and furniture	3 to 10 years
Plant and machinery	3 to 15 years
Vehicles	6 to 10 years

f) Intangible assets

Computer software includes enterprise resource planning project and other cost relating to such software which provides significant future economic benefits. These costs comprise license fees and system integration services.

Technical know- how expenditure qualifying as an intangible asset, is amortised over an economic life of the plant using the straight-line method.

Computer software cost is amortised over a period of 3 years using the straight-line method.

g) Impairment of assets

The carrying amounts of assets are reviewed at each Statement of Assets and Liabilities date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

h) Foreign currency transactions

i) Functional and presentation currency:

Items included in the Financial Statements of the LLP are measured using the currency of the primary economic environment in which the LLP operates ('functional currency'). The Financial Statements of the LLP are presented in Indian currency (₹), which is also the functional currency of the LLP.

ii) Transactions:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Income and Expenditure.

i) Provisions and contingent liabilities

Provisions are recognised when the LLP has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the LLP or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

j) Income tax

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred tax reflects changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Deferred tax assets and deferred tax liabilities are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Statement of Assets and Liabilities date. Deferred tax assets on account of timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. Deferred tax liabilities representing the taxable temporary difference. Deferred tax assets, representing unabsorbed depreciation or carried forward losses are recognised, if and only if there is virtual certainty supported by convincing evidence that there will be adequate future taxable income against which such deferred tax assets can be realised. Further deferred tax assets is recognised in books of accounts to the extent of deferred tax liabilities keeping in mind the principle of conservatism. Deferred tax assets are reviewed at each Statement of Assets and Liabilities date to reassure realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

k) Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Income and Expenditure. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the year from commencement of activities relating to construction | development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Income and Expenditure during extended periods when active development activity on the qualifying assets is interrupted.

l) Cash and bank balance

Cash and bank balance include cash in hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

m) Investments

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments.

Current investments that are not intended to be held for a period more than one year, are stated at lower of cost and fair value.

n) Lease

The LLP assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the LLP assesses whether: i) the contract involves the use of an identified asset ii) It has substantially all of the economic benefits from use of the asset through the period of the lease and iii) It has the right to direct the use of the asset.

At the commencement date of the lease, the LLP recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

o) Inventories

Inventories are stated at cost or net realisable value, whichever is lower. Cost is determined on periodic moving weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to effect the sale.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.

Due allowances are made for slow | non-moving, defective and obsolete inventories based on estimates made by the Company.

Items such as spare parts, stand-by equipment and servicing equipment that are not plant and equipment get classified as inventory.

p) Trade receivables

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, less provision for impairment based on expected credit loss.

q) Revenue recognition

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the LLP or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue is measured based on the consideration to which the LLP expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 60 days. Revenue excludes any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax.

r) Employee benefits

(i) Short-term employee benefits

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits, etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations. Termination benefits are recognised as an expense as and when incurred.

(ii) **Long-term employee benefits**

(a) **Post-employment benefits**

Defined contribution plans

The LLP makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme which is defined contribution plan. The LLP's contribution is recognized as an expense in the Statement of income and expenditure during the year in which the employee renders the related service.

Defined benefit plans

Gratuity

The LLP's gratuity benefit scheme is an unfunded defined benefit plan. The LLP's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

The present value of the obligation under such defines benefit plan is determined based on actuarial valuation by an independent actuary at the year-end, using the Projected Unit Credit Method, which recognises each period of service as giving rise to one additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Statement of assets and liabilities date.

Actuarial gains and losses arising during the period are recognised immediately in the Statement of income and expenditure.

(b) **Other long-term employee benefits**

Compensated absences

Compensated absenses which are not expected to occur within twelve months after the end of the period in which the employee renders the related services, are recognized as a liability at the present value of the defined benefit obligation at the Statement of asstes and liabilities date. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Statement of asstes and liabilities date. Actuarial gains and losses are recognized immediately in the Statement of income and expenditure.

s) **Segment reporting**

The LLP operates in a single business segment that is manufacturing of performance and other chemicals. Further, its operations are confined within and outside India and the major customers of the LLP are Atul Ltd and Nouryon Chemicals India Pvt Ltd. Accordingly, there are no separate reportable segments as per Accounting Standard 17 on 'Segment Reporting' and no further disclosures are required.

t) **Government grants, subsidies and export incentives**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants | subsidies will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge [or is treated as deferred income which is recognised in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset].

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

Estimation of uncertainties relating to the global health pandemic COVID-19

The LLP has considered possible effects that may result from the COVID-19 pandemic and Russia-Ukraine war in preparation of these Financial Statements, used relevant internal and external sources of information and expect that these events will not have any material implications on the operations of the LLP in the near future.

Critical estimates and judgements

Preparation of the Financial Statements require use of accounting estimates, judgements and assumptions, which, by definition, will seldom equal the actual results. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Financial Statements. This Note provides an overview of the areas that involves a higher degree of judgements or complexity and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

i) Estimation for income tax: Note 1 (j)

ii) Estimation of useful life of tangible assets: Note 1 (e)

iii) Estimation of provision for inventories: Note 1 (o)

iv) Allowance for credit losses on trade receivables: Note 1 (p)

v) Estimation of claims | liabilities: Note 1 (i)

vi) Estimation of defined benefit obligations: Note 1 (r)

vii) Impairment: Note 1 (g)

(₹ lakhs)

Note 2 Partners' contribution		As at March 31, 2022	As at March 31, 2021
a)	Atul Finserv Ltd	6,700.00	6,700.00
b)	Nouryon Chemical International BV	6,700.00	6,700.00
		13,400.00	**13,400.00**

The partners has contributed ₹ 6700.00 lakhs each, on piecemeal basis with mutual understanding as per requirement.

Note 2A Partners' contribution movement		Atul Finserv Ltd	Nouryon Chemical International BV
Share in Profit I Loss		**50%**	**50%**
a)	**Balance at as March 31,2020**	6,187.51	6,700.00
	Add: Contribution received during the Period	512.49	-
b)	**Balance at as March 31,2021**	6,700.00	6,700.00
	Add: Contribution received during the Period	-	-
c)	**Balance at as March 31,2022**	6,700.00	6,700.00

(₹ lakhs)

Note 3 Reserves and surplus		As at March 31, 2022	As at March 31, 2021
a)	Balance at the beginning of the year	(1,033.37)	(415.50)
b)	Loss for the year	(179.51)	(617.85)
	Balance at the end of the year	**(1,212.88)**	**(1,033.35)**

(₹ lakhs)

Note 4 Long-term borrowings (refer Note 28)		As at March 31, 2022	As at March 31, 2021
a)	**Secured loan (refer Note 4.1)**		
	Rupee term loan from a bank	-	12,150.26
	Rupee term loan from Nouryon Chemical India Pvt Ltd	4,880.00	-
	Rupee term loan from Atul Ltd	4,880.00	-
	Amount of current maturities of long-term debt disclosed under the head 'short-term borrowings' (refer Note 7)	(2,440.00)	(2,440.00)
		7,320.00	**9,710.26**

(₹ *lakhs*)

Note 4 Long-term borrowings (refer Note 28)	As at March 31, 2022	As at March 31, 2021
b) **Unsecured loan (refer Note 4.2)**		
Atul Ltd	1,947.70	685.40
Nouryon Chemicals India Pvt Ltd	1,947.70	600.00
	3,895.40	**1,285.40**
	11,215.40	**10,995.66**

1. **Secured loan from partner**

   i) Security:

   The Loan is secured by first pari passu charge by way of hypothecation on all the current assets I movable assets and fixed assets of Anaven, present and future in favour of Atul Ltd and Nouryon Chemicals India Pvt Ltd in proportion to loan and interest amount outstanding from time to time.

   ii) Terms of repayment of term loan:

   Loan is repayable in 20 equal quarterly instalment of ₹ 610.00 lakhs each starting from April 2021 till March 2026.

   iii) Interest:

   The rate of interest is Axis Bank 6 months MCLR + 0.65%, that is, 7.95% (P.Y. 8.10 %) as at Statement of Assets and Liabilities date.

2. **Unsecured loan from partner**

   i) Terms of repayment of loan:

   Loan is repayable on the final maturity date August 15, 2023.

   ii) Interest:

   The rate of interest is 12 months Axis bank MCLR + 135 BPS, that is, 8.7% p.a. (P.Y. 9.0% p.a) as at Statement of Assets and Liabilities date.

(₹ *lakhs*)

Note 5 Other long-term liabilities	As at March 31, 2022	As at March 31, 2021
a) Long term maturities of finance lease obligation (refer Note 30)	965.08	386.43
	965.08	**386.43**

(₹ *lakhs*)

Note 6 Long-term provisions	As at March 31, 2022	As at March 31, 2021
a) Provision for compensated absences	16.78	-
	16.78	**-**

(₹ lakhs)

Note 7 Short-term borrowing		As at March 31, 2022	As at March 31, 2021
a)	Cash credit	4.28	-
b)	Current maturities of long-term debt (refer Note 4)	2,440.00	2,440.00
		2,444.28	**2,440.00**

(₹ lakhs)

Note 8 Trade payables			As at March 31, 2022	As at March 31, 2021
a)	Total outstanding dues of micro and small enterprises		16.92	0.02
b)	Total outstanding dues of creditors other than micro-enterprises and small enterprises			
	i)	Related party (refer Note 28)	231.92	124.51
	ii)	Others	2,364.17	863.22
			2,596.09	**987.73**
			2,613.01	**987.75**

Trade payables ageing

(₹ lakhs)

No.	Particulars	As at March 31, 2022						
		Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
1	MSME	-	16.92	-	-	-	-	16.92
2	Others	2,068.00	399.08	65.01	42.00	15.00	7.00	2,596.09
		2,068.00	**416.00**	**65.01**	**42.0**	**15.00**	**7.00**	**2,613.01**

(₹ lakhs)

No.	Particulars	As at March 31, 2021						
		Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
1	MSME	0.02	-	-	-	-	-	0.02
2	Others	987.73	-	-	-	-	-	987.73
		987.75	-	**-**	**-**	**-**	**-**	**987.75**

(₹ *lakhs*)

Note 9 Other current liabilities		As at March 31, 2022	As at March 31, 2021
a)	Capital creditors	69.75	196.40
b)	Statutory dues	30.63	3.28
c)	Retention money	66.79	156.87
d)	Security deposits	34.18	72.16
e)	Interest accrued but not due	163.76	140.44
f)	Current maturities of finance lease obligation (refer Note 30)	182.12	71.89
g)	Employee benefits payable	24.75	-
h)	Others	1.08	46.23
		573.06	**687.27**

(₹ *lakhs*)

Note 10 Short-term provisions		As at March 31, 2022	As at March 31, 2021
a)	Provision for employee benefits	26.48	-
		26.48	**-**

(₹ lakhs)

Note 11 Property, plant and equipment and capital work-in-progress

Particulars	Buildings	Plant and equipment	Leased assets #	Laboratory equipment	Office equipment	Equipment furniture and dead stock	Roads	Computer equipment	Intangible assets	Vehicles	Total	Capital work-in-progress
Gross Block												
As at March 31, 2020	**151.05**	**47.57**	-	-	**16.15**	**32.61**	-	**40.39**	-	-	**287.77**	**20,172.16**
Additions	502.58	21,316.03	462.98	132.86	-	54.34	211.05	4.36	-	-	22,684.20	2,049.06
Disposal, transfer and adjustments	-	-	-	-	-	-	-	-	-	-	-	22,221.22
As at March 31, 2021	**653.63**	**21,363.60**	**462.98**	**132.86**	**16.15**	**86.95**	**211.05**	**44.75**	-	-	**22,971.97**	-
Additions	14.72	229.88	740.93	-	-	0.76	6.18	0.73	2.00	7.04	1,002.24	214.41
Disposal, transfer and adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**668.35**	**21,593.48**	**1,203.91**	**132.86**	**16.15**	**87.71**	**217.23**	**45.48**	**2.00**	**7.04**	**23,974.21**	**214.41**
Depreciation | Amortisation												
Up to March 31, 2020	**7.71**	**9.21**	-	-	**5.03**	**4.98**	-	**12.46**	-	-	**39.39**	-
For the year	7.44	218.50	7.72	4.63	3.07	3.53	3.34	9.84	-	-	258.07	-
Disposal and transfer	-	-	-	-	-	-	-	-	-	-	-	-
Up to March 31, 2021	**15.15**	**227.71**	**7.72**	**4.63**	**8.10**	**8.51**	**3.34**	**22.30**	-	-	**297.46**	-
For the year	37.55	2,297.54	83.88	24.76	3.07	8.32	41.27	7.86	0.33	0.88	2,505.46	-
Disposal, transfer and adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Up to March 31, 2022	**52.70**	**2,525.25**	**91.60**	**29.39**	**11.17**	**16.83**	**44.61**	**30.16**	0.33	**0.88**	**2,802.92**	-
Net Block												
As at March 31, 2021	638.48	21,135.89	455.26	128.23	8.05	78.44	207.71	22.45	-	-	22,674.51	-
As at March 31, 2022	**615.65**	**19,068.23**	**1,112.31**	**103.47**	**4.98**	**70.88**	**172.62**	**15.32**	**1.67**	**6.16**	**21,171.29**	**214.41**

Refer Note 4 for information on property, plant and equipment hypothecated | mortgaged as security by the LLP.

The LLP has entered into finance lease arrangements for certain equipment, which provide the LLP an option to purchase the assets at the end of the lease period.

CWIP ageing schedule (₹ lakhs)

CWIP	As at March 31, 2022					As at March 31, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	214.41	-	-	-	214.41	-	-	-	-	-
Total	**214.41**	**-**	**-**	**-**	**214.41**	**-**	**-**	**-**	**-**	**-**

Note: There is no CWIP, whose completion is overdue or has exceeded its cost compared to its plan.

(₹ lakhs)

Note 12 Long-term loans and advances	As at March 31, 2022	As at March 31, 2021
a) Capital advances	88.11	23.43
Less: Provision for doubtful advances	23.43	23.43
	64.68	-
b) Prepaid expenses	-	67.49
	64.68	**67.49**

(₹ lakhs)

Note 13 Other non-current asset	As at March 31, 2022	As at March 31, 2021
Balance with Government authority		
a) GST receivables	1,879.33	2,772.42
	1,879.33	**2,772.42**

(₹ lakhs)

Note 14 Inventories	As at March 31, 2022	As at March 31, 2021
a) Raw materials and packing materials	811.07	411.74
b) Finished goods	485.36	64.01
c) Stores and spares	445.33	249.11
	1,741.76	**724.86**

(₹ lakhs)

Note 15 Current investments	As at March 31, 2022	As at March 31, 2021
Investment in mutual funds Unquoted:		
a) Nil units (March 31, 2021 : 316382.47 units) of Tata arbitrage fund - direct plan growth fund face value of ₹ 10 each NAV per unit ₹ 11.99 (March 31, 2021: ₹ 11.47)	-	35.18
b) Nil units (March 31, 2021 : 858.38 units) of Tata money market fund - direct plan growth fund face value of ₹ 10 each NAV per unit ₹ 3823.85 (March 31, 2021: ₹ 3669.87)	-	30.67
	-	**65.85**

(₹ lakhs)

Note 16 Trade receivables		As at March 31, 2022	As at March 31, 2021
Considered good - unsecured			
a)	Others	7.74	0.67
b)	Related parties (refer Note 28)	3,383.54	842.41
		3,391.28	**843.08**

(₹ lakhs)

Trade payables ageing

No.	Particulars	As at March 31, 2022						
		Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
1	Undisputed trade receivables: considered good	3,006.00	385.28	-	-	-	-	3,391.28
		3,006.00	**385.28**	**-**	**-**	**-**	**-**	**3,391.28**

(₹ lakhs)

No.	Particulars	As at March 31, 2021						
		Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
1	Undisputed trade receivables: considered good	843.08	-	-	-	-	-	843.08
		843.08	-	**-**	**-**	**-**	**-**	**843.08**

(₹ lakhs)

Note 17 Cash and bank balance		As at March 31, 2022	As at March 31, 2021
a)	Cash on hand (current year: ₹ 36.00)	-	0.03
b)	Balances with banks		
	Current account	36.35	8.50
c)	Other bank balance		
	Demand deposits (less than 3 months maturity)	220.00	85.40
		256.35	**93.93**

(₹ *lakhs*)

Note 18 Short-term loans and advances		As at March 31, 2022	As at March 31, 2021
a)	Prepaid expenses	10.61	16.96
		10.61	**16.96**

(₹ *lakhs*)

Note 19 Other current assets		As at March 31, 2022	As at March 31, 2021
a)	Interest accrued on bank deposits	0.90	0.38
b)	Fixed deposit (with original maturity more than 3 month)	5.26	5.26
c)	Balance with government authority		
	i) GST receivable	1,050.48	597.00
	ii) Advance tax I Tax deducted at source	18.45	0.93
d)	Prepayment to suppliers	235.11	1.09
e)	Others	1.30	-
		1,311.50	**604.66**

(₹ *lakhs*)

Note 20 Revenue from operation		2021-22	2020-21
a)	Sale of goods	16,030.18	681.52
b)	Other operating revenue	0.65	-
		16,030.83	**681.52**

(₹ *lakhs*)

Note 21 Other income		2021-22	2020-21
a)	Interest income from bank deposits	0.78	0.47
b)	Interest received others	-	0.21
c)	Gain on sale of investment (net)	7.00	6.46
d)	Exchange rate difference gain (net)	22.34	0.23
e)	Other miscellaneous income	2.47	-
		32.59	**7.37**

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(₹ lakhs)

Note 22 Cost of material consumed	2021-22	2020-21
Raw material and packing material consumed		
Stocks at beginning of the year	411.74	-
Add: Purchase during the year	10,034.29	821.36
	10,446.03	821.36
Less: Stocks at end of the year	811.07	411.74
	9,634.96	**409.62**

(₹ lakhs)

Note 23 Changes in inventory of finished goods, work in progress and stock-in-trade	2021-22	2020-21
Stock at close		
Finished goods	485.36	64.01
	485.36	64.01
Less: Stock at commencment		
Finished goods	64.01	-
	64.01	-
(Increase) I Decrease in stocks	**(421.35)**	**(64.01)**

(₹ lakhs)

Note 24 Finance costs		2021-22	2020-21
a)	Interest on borrowings	111.27	236.38
b)	Interest on partners' loan	1,062.72	6.97
c)	Other borrowing costs	123.08	7.87
		1,297.07	**251.22**

(₹ lakhs)

Note 25 Employee benefit expenses		2021-22	2020-21
a)	Contribution to provident and other funds (refer Note 29)	15.66	-
b)	Salaries, wages and bonus (refer Note 29)	382.21	295.99
c)	Staff welfare	1.25	-
		399.12	**295.99**

(₹ *lakhs*)

Note 26 Other expenses	2021-22	2020-21
a) Power, fuel and water	1,238.77	82.81
b) Effluent disposal expenses	746.65	31.60
c) Freight and cartage	135.81	7.58
d) Plant operation charges	94.28	-
e) Repair and maintenance	344.10	0.24
f) Lease rent (refer Note 28)	85.34	1.23
g) Insurance expense	40.13	3.97
h) Remuneration to the Statutory Auditors		
i) Audit fees	3.46	3.45
ii) Other services	0.75	-
i) Travelling and conveyance	37.84	0.92
j) Legal and professional charges	33.77	13.45
k) Bank charges	7.74	0.27
l) Miscellaneous expenses	59.03	10.33
	2,827.67	**155.85**

Note 27 Capital commitment

Capital expenditure contracted at the end of the reporting period but not recognised as liabilities is as follows:

(₹ *lakhs*)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed and not provided for (net of advances)		
Property, plant and equipment	208.41	76.90

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Note 28 Related party disclosures

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
1	Atul Finserv Ltd	Partner
2	Nouryon Chemical International BV	Partner
3	Atul Ltd	Holding company of partner - Atul Finserv Ltd
4	Nouryon Industrial Chemical BV (formerly Akzo Nobel Industrial Chemical BV)	Subsidiary company of partner - Nouryon Chemical International BV
5	Nouryon Performance Formulations BV	Subsidiary company of partner - Nouryon Chemical International BV
6	Nouryon Functional Chemical LLC	Subsidiary company of partner - Nouryon Chemical International BV
7	Nouryon Chemical India Pvt Ltd	Subsidiary company of partner - Nouryon Chemical International BV

(₹ *lakhs*)

(A)	Transactions with related parties		2021-22	2020-21
a)	**Contribution received**			
	Partners' contribution received		-	**512.49**
	Atul Finserv Ltd		-	512.49
	Nouryon Chemical International BV		-	-
b)	**Sales, purchase and expenses**			
	1	Sales of goods	**16,327.50**	**718.55**
		Atul Ltd	12,645.98	718.55
		Nouryon Chemical India Pvt Ltd	2,082.15	-
		Nouryon Functional Chemical LLC	837.64	-
		Nouryon Performance Formulations BV	761.73	-
	2	Capital goods purchased	**0.07**	**57.65**
		Atul Ltd	0.07	57.65
	3	Purchase of goods and services	**1,408.18**	**141.88**
		Atul Ltd	1,408.18	102.84
		Nouryon Industrial Chemical BV	-	39.04

(₹ lakhs)

(A) Transactions with related parties			2021-22	2020-21
	4	Reimbursement of expenses	**178.54**	**374.48**
		Atul Ltd	69.25	362.68
		Nouryon Chemical India Pvt Ltd (formerly Akzo Nobel Chemicals India Pvt Ltd)	60.00	11.80
		Nouryon Functional Chemical LLC	-	
		Nouryon Performance Formulations BV	49.29	-
	5	Reimbursement received	**436.47**	-
		Nouryon Functional Chemical LLC	436.47	-
	6	Technical services	-	**35.30**
		Nouryon Industrial Chemical BV	-	35.30
	7	Interest Expense	**1,062.71**	**73.86**
		Atul Ltd	569.45	37.17
		Nouryon Chemical India Pvt Ltd	493.26	36.69
	8	Loan taken during the year	**16,910.00**	**1,285.40**
		Atul Ltd	9,462.30	685.40
		Nouryon Chemical India Pvt Ltd	7,447.70	600.00
	9	Repayment of loan during the year	**4,540.00**	-
		Atul Ltd	3,320.00	-
		Nouryon Chemical India Pvt Ltd	1,220.00	-
	10	Lease rent	**205.29**	**13.21**
		Atul Ltd	205.29	13.21

(₹ lakhs)

(B)	Balances as at year end	As at March 31, 2022	As at March 31, 2021
a)	**Partner's contribution**	**13,400.00**	**13,400.00**
	Atul Finserv Ltd	6,700.00	6,700.00
	Nouryon Chemicals International BV	6,700.00	6,700.00
b)	**Payables**	**267.74**	**239.67**
	Atul Ltd	179.48	178.22
	Nouryon Chemical India Pvt Ltd	88.26	48.49
	Nouryon Industrial Chemical BV	-	12.96

(₹ lakhs)

(B)	Balances as at year end	As at March 31, 2022	As at March 31, 2021
c)	**Receivables**	**3,098.33**	**842.33**
	Atul Ltd	1,223.09	842.33
	Nouryon Chemical India Pvt Ltd	757.69	-
	Nouryon Functional Chemical LLC	837.64	-
	Nouryon Performance Formulations	279.91	-
d)	**Unsecured loan**	**3,895.40**	**1,285.40**
	Atul Ltd	1,947.70	685.40
	Nouryon Chemical India Pvt Ltd	1,947.70	600.00
e)	**Secured loan**	**9,760.00**	-
	Atul Ltd	4,880.00	-
	Nouryon Chemical India Pvt Ltd	4,880.00	-

Note 29 Employee benefits

Funded schemes

a) Defined benefit plans:

Gratuity: The LLP operates a gratuity plan through the 'Anaven Employees Gratuity Trust'. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or the LLP scheme, whichever is beneficial. The benefits vest after five years of continuous service, and the same is payable at the time of separation from the LLP or retirement, whichever is earlier.

(₹ lakhs)

Expenses recognised for the year ended on March 31, 2022 (included in Note 25)				
Particulars			As at March 31, 2022	As at March 31, 2021
1.	**Change in the present value of obligation:**			
	a)	Actuarial loss | (gain) - due to experience	4.95	-
	b)	Benefits paid	-	-
	c)	Current service cost	2.06	-
	d)	Interest cost	-	-
	e)	Liability transferred in I acquisitions	13.42	-
	f)	Present value of obligation at the beginning of the year	-	-
	g)	Present value of obligation at the end of the year	20.43	-
2.	**Change fair value of plan assets**			
	a)	Actuarial loss | (gain)- due to experience	0.07	-
	b)	Benefits paid	-	-

(₹ lakhs)

Expenses recognised for the year ended on March 31, 2022 (included in Note 25)				
Particulars			**As at March 31, 2022**	**As at March 31, 2021**
	c)	Contributions	-	-
	d)	Expected return on plan assets	16.74	-
	e)	Fair value of plan assets at the beginning of the year	-	-
	f)	Fair value of plan assets at the end of the year	16.81	-
3.	**Reconciliation of present value of the obligation and the fair value of plan assets and amounts recognised in the Statement of Assets and Liabilities:**			
	a)	Present value of the defined benefit obligation at the end of the year	20.42	-
	b)	Fair value of plan assets at the end of the year	16.82	-
	c)	Net liability recognised in the statement of assets and liabilities	3.60	-
4.	**Gratuity cost recognised during the year**			
	a)	Current service cost	2.06	-
	b)	Interest cost	-	-
	c)	Expected return on plan assets	-	-
	d)	Actuarial loss	4.88	-
	e)	Total expense	6.94	-
5.	**Actuarial assumptions:**			
	a)	Discount rate	6.70%	-
	b)	Rate of return on plan assets	6.70%	-
	c)	Salary escalation rate	10.70%	-
	d)	Attrition rate	15.00%	-
	e)	Mortality rate	Indian Assured Lives Mortality (2012-14) urban	-
6.	**Net asset | liability recognised in the Statement of Assets and Liabilities**			
	a)	(Deficit) | Surplus	(3.61)	-
	b)	Defined benefit obligation	(20.42)	-
	c)	Experience adjustments in plan assets	0.07	-
	d)	Experience adjustments in plan liabilities	4.95	-
	e)	Plan assets	16.82	-

b) **Defined contribution plan:**

Amount of ₹ 8.72 lakh (previous year: nil) is recognised as expense and included in the Note 25 'Contribution to Provident and Other funds'.

Unfunded schemes

Compensated absences

(₹ *lakhs*)

Particulars		As at March 31, 2022	As at March 31, 2021
a)	Present value of unfunded obligations	19.78	-
b)	Expense recognised in the statement of income and expenditure	20.36	-
c)	Discount rate (per annum)	6.70%	-
d)	Salary escalation rate (per annum)	10.70%	-

Note 30 Leases

As a lessee

The LLP has taken equipment on cancellable lease from Atul Ltd for 10 years.

(₹ *lakhs*)

Particulars	Lease inception date	Annual rent
25 kg bagging machine for MCA flakes	February 01, 2021	61.92
ZLD discharge equipment - ETP phase I	September 01, 2021	66.64
ZLD discharge equipment - ETP phase II	March 01, 2021	0.50

Following are the changes in carrying value of right-of-use assets (plant and machinery):

(₹ *lakhs*)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	455.26	-
Additions	740.93	462.98
Depreciation	83.88	7.72
Disposals and transfers	-	-
Closing balance	1,112.31	455.26

Following is the movements in lease liabilities:

(₹ lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	467.65	-
Additions	740.93	462.98
Payment of lease liabilities	(52.69)	(4.67)
Disposals and transfers	-	-
Closing balance	1,261.27	467.65

(₹ lakhs)

Note 31 Government grants, subsidies and export incentives	As at March 31, 2022	As at March 31, 2021
Government grants received by the LLP during the year towards:		
- Other incentives (electricity duty exemption)	104.44	-
	104.44	**-**

(₹ lakhs)

Note 32 Deferred tax assets | (liabilities)	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	(2,264.78)	(1,316.56)
Total deferred tax liabilities	**(2,264.78)**	**(1,316.56)**
Carried forward business losses	2,264.78	1,316.56
Total deferred tax assets	**2,264.78**	**1,316.56**
Net deferred tax (liabilities) | assets	**-**	**-**

Recognition of deferred tax asset on carried forward losses is restricted to the extent of deferred tax liabilities, considering that there is no virtual uncertainty of it realisability.

Note 33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006	As at March 31, 2022	As at March 31, 2021
Principal amount remaining unpaid to any supplier as at the end of the accounting year	16.92	0.02
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-

Note 33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006	As at March 31, 2022	As at March 31, 2021
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 34 Ratios

(₹ *lakhs*)

No.	Ratio	UoM	Formula	As at March 31, 2022	As at March 31, 2021	% Variance	Reason for variance
01.	Current ratio	Times	A ÷ B	2.21	1.42	55.26	Since operation of the LLP was started from previous year dated March 10, 2021, the derived ratios are not comparable.
02.	Debt-equity ratio	Times	I ÷ H	1.21	1.12	8.14	
03.	Debt service coverage ratio	Times	P ÷ L	2.79	(0.43)	(746.38)	
04.	Return on equity ratio	%	O ÷ average of H	(0.01)	(0.05)	(70.61)	
05.	Inventory turnover ratio	Times	K ÷ average of D	13.00	1.88	5.91	
06.	Trade receivables turnover ratio	Times	K ÷ average of E	7.57	1.62	3.68	
07.	Trade payables turnover ratio	Times	Q ÷ average of G	6.45	1.83	2.53	
08.	Net capital turnover ratio	Times	K ÷ average of C	7.36	(0.62)	(12.88)	
09.	Net profit ratio	%	N ÷ K	(1.12)	(90.66)	(98.76)	
10.	Return on capital employed	%	(L + N) ÷ average of J	4.21	(2.74)	(253.72)	
11.	Return on investment	%	(N + L) ÷ average of F	3.86	(1.42)	(372.53)	

Note 34 Ratios					
No.	Base values	UoM	Reference	As at March 31, 2022	As at March 31, 2021
A	Current assets	₹ lakhs	Statement of Assets and Liabilities (current assets) - current investments	6,711.50	2,283.49
B	Current liabilities	₹ lakhs	Statement of Assets and Liabilities (current liabilities) - current borrowings and tax liabilities	3,034.71	1,603.13
C	Working capital	₹ lakhs	A-B	3,676.79	680.36
D	Inventories	₹ lakhs	Statement of Assets and Liabilities (Note 14)	1,741.76	724.86
E	Trade receivables	₹ lakhs	Statement of Assets and Liabilities (Note 16)	3,391.28	843.08
F	Total assets	₹ lakhs	Statement of Assets and Liabilities (total assets)	30,041.21	27,863.76
G	Trade payables	₹ lakhs	Statement of Assets and Liabilities (Note 8)	2,613.01	987.75
H	Equity	₹ lakhs	Statement of Assets and Liabilities (Notes 2+3)	12,187.12	12,366.65
I	Debt	₹ lakhs	Statement of Assets and Liabilities (Notes 4+5+7) + current borrowing	14,806.88	13,893.98
J	Capital employed	₹ lakhs	H + I + Deferred tax liability (Notes 31) - capital work-in-progress (Notes 11) - Revaluation reserve	26,779.59	26,260.63
K	Net sales	₹ lakhs	Statement of Income and Expenditure (Note 20)	16,030.83	681.52
L	Finance cost	₹ lakhs	Statement of Income and Expenditure (Note 24)	1,297.07	251.22
M	Depreciation	₹ lakhs	Statement of Income and Expenditure (Note 11)	2,505.46	258.07

Note 34 Ratios					
No.	**Base values**	**UoM**	**Reference**	**As at March 31, 2022**	**As at March 31, 2021**
N	Loss before tax	₹ lakhs	Statement of Income and Expenditure	(179.51)	(617.85)
O	Loss after tax	₹ lakhs	Statement of Income and Expenditure	(179.51)	(617.85)
P	Net operating income	₹ lakhs	L + M + O	3,623.02	(108.56)
Q	Total operating purchase	₹ lakhs	Purchase of Raw material (Note 22) + power, fuel and water (Note 26) + repair and maintenance (Note 26)	11,617.16	904.41

Note 35 Segment information

a) Business segment

The LLP operates in a single business segment that is manufacturing of performance and other chemicals. Further, its operations are confined within and outside India and the major customers of the LLP are Atul Ltd and Nouryon Chemicals India Pvt Ltd. Accordingly, there are no separate reportable segments as per Accounting Standard 17 on 'Segment Reporting' and no further disclosures are required.

b) Geographical segment

(₹ *lakhs*)

Particulars	In India		Outside India		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Segment revenue	14,430.82	681.52	1,599.36	-	16,030.18	681.52
Carrying cost of assets by location of assets	28,907.56	27,863.76	1,133.65	-	30,041.21	27,863.76
Additions to assets and intangible assets[1]	1,281.33	22,684.20	-	-	1,281.33	22,684.20

[1]Including capital work-in-progress and capital advances

c) Revenue from major customers

Revenue of approximately ₹ 12,646.00 lakhs and ₹ 2,082.00 lakhs (March 31, 2021: ₹ 719.00 lakhs, ₹ nil lakhs) are derived from two external customers.

Note 36 Other statutory information

a) The LLP has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

b) The LLP is not declared wilful dafulter by any bank or financial institution or other lenders.

c) The LLP has not traded or invested in cryptocurrency or virtual currency during the year.

d) The LLP has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.

e) No proceedings have been initiated or are pending against the LLP for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Note 37 Relationship with struck off companies

There were no transactions or balances with struck off companies.

Note 38 Regrouping | reclassification

Figures for the previous year have been regrouped | reclassified wherever necessary, to conform to the presentation of the current year.

Note 39 Rounding off

Figures less than ₹ 500 have been shown at actuals in brackets.

Note 40 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Partners on April 21, 2022.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora
Partner

Mumbai
April 21, 2022

For and on behalf of the Partners of ANAVEN LLP

Gopi Kannan Thirukonda
Body Corporate DP Nominee

Sobers Sethi
Body Corporate DP Nominee

April 21, 2022

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